

**STATE OF MICHIGAN  
DEPARTMENT OF ENERGY, LABOR & ECONOMIC GROWTH  
OFFICE OF FINANCIAL AND INSURANCE REGULATION**

**Before the Commissioner of the Office of Financial and Insurance Regulation**

**In the Matter of:**

**TOTAL HEALTH CARE, INC.  
3011 W. Grand Blvd., Ste 1600  
Detroit, MI 48202  
NAIC # 95644**

**Enforcement Case No. 08-6972**

**Respondent.**

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**CONSENT ORDER AND STIPULATION**

**I.**

**FINDINGS OF FACT AND CONCLUSIONS OF LAW**

The Office of Financial and Insurance Regulation ("OFIR") and Total Health Care, Inc. represented by Lyle Algate, Executive Director, state the following facts are true and correct:

1. Total Health Care, Inc. ("Respondent") is licensed as a health maintenance organization in Michigan.
2. On the Respondent's June 30, 2008, quarterly statement jurat page, it was noted that Mary Jane Clay had replaced Kathy Kather as the Treasurer. Proper notification was not received within 30 days as required.
3. MCL 500.3557, §3557 states a health maintenance organization shall file notice with the commissioner of any substantive changes in operations no later than 30 days after the substantive change in operations.
4. Subparagraph (a) provides that a substantive change in operations includes a change in the health maintenance organization's officers or directors. In addition to the notification, the health maintenance organization shall file a disclosure statement on a form prescribed by the commissioner for each newly appointed or elected officer or director.
5. Therefore, the Respondent is required to notify OFIR of significant changes in officers and directors pursuant to Section 3557 of the Code.


6. Respondent either knew or should have known that it was required to notify OFIR of significant changes in officers and directors pursuant to Section 3557 of the Code, and failed to do so.
7. On or about February 20, 2009, the Respondent was served with OFIR's Notice of Opportunity to Show Compliance and responded shortly thereafter.
8. On or about March 6, 2009, the Respondent being represented by its Executive Director, Lyle Algate, admitted that it violated MCL 500.3557, §3557 of the Insurance Code when it failed to submit proper notification of changes in its officers. More specifically, Respondent did not notify OFIR that Mary Jane Clay had replaced Kathy Kather as Treasurer.

## II. ORDER

Based on the above findings of fact and conclusions of law and Respondent's stipulation, it is **ORDERED** that:

1. Respondent shall immediately cease and desist from violating the Michigan Insurance Code, including but not limited to Section 3557 of the Michigan Insurance Code.
2. Respondent shall pay to the State of Michigan a civil fine of \$500.00 (five hundred dollars and zero cents). Upon execution of this Order, OFIR will send Respondent an Invoice for the civil fine that will be due within 30 days of issuance of the Invoice.

Dated: 3/19/09

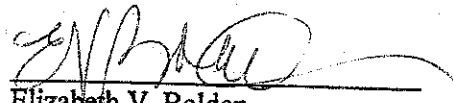
  
Stephen R. Hilker  
Chief Deputy Commissioner

**III.  
STIPULATION**

I have read and understand the Consent Order above. I agree that the Commissioner has jurisdiction and authority to issue this Consent Order pursuant to the Michigan Insurance Code. I waive the right to a hearing in this matter if this Consent Order is issued. I understand that the Consent Order and Stipulation will be presented to the Commissioner for approval and the Commissioner may or may not issue this Consent Order. I waive any objection to the Commissioner deciding this case following a hearing in the event the Consent Order is not approved. I admit to the Findings of Fact and Conclusions of Law set forth in the above Consent Order and agree to the entry of the Consent Order.

The Office of Financial and Insurance Regulation staff approves this stipulation and recommends that the Commissioner issue the above consent order.

Dated: March 19, 2009

  
Elizabeth V. Bolden  
OFIR Staff Attorney